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**MANHATTAN TAX PREPARER PLEADS GUILTY  
IN FEDERAL COURT TO FILING FALSE TAX RETURNS**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that JENNIFER COLON, a Manhattan tax preparer, pled guilty late yesterday in Manhattan federal court before United States District Judge JED S. RAKOFF to aiding and assisting in the filing of hundreds of false tax returns and making false claims to the IRS.

On April 8, 2004, COLON was charged in a six-count Indictment charging her in four counts with assisting in the filing of false tax returns and in two counts with making false claims. As the Indictment alleges, COLON operated tax preparation businesses in Manhattan under the names Loiza Imani, Inc.; Enterprise Tax Services; and Jennifer Colon, C.P.A., although she was not a licensed certified public accountant.

Through her businesses, COLON prepared hundreds of U.S. Individual Income Tax Returns, Forms 1040 and 1040x, for her clients for the tax years 1995 through 2002. According to the Indictment, when preparing income tax returns, COLON generally

did not rely exclusively on the expense and deduction information provided by the clients. Instead, COLON falsely inflated and fabricated the clients' personal expenses and deductions for such items as medical expenses and charitable contributions, thereby creating thousands of dollars of wholly fictitious expenses and deductions, which served to lower her clients' ultimate tax liabilities. COLON included these inflated and fictitious personal expenses and deductions on schedules attached to the clients' individual tax returns.

According to the Indictment, COLON completed these falsified individual returns, as a tax preparer, and provided them to clients for signing and filing. Between 1996 and 2002, according to the Indictment, COLON created and placed several hundred thousand dollars of falsely inflated and wholly fictitious expenses on her clients' income tax returns. By doing so, COLON enabled clients to receive, collectively, hundreds of thousands of dollars in income tax refunds to which they were not lawfully entitled.

In addition, the Indictment charges that COLON prepared and submitted for herself false income tax returns, which contained inflated and fictitious expenses, such as gifts to charity and medical, job and miscellaneous expenses. For tax years 1997 and 1998 alone, according to the Indictment, COLON claimed refund amounts of \$43,300 and \$60,412, respectively, to which she was not lawfully entitled.

In entering her plea of guilty to all six counts of the Indictment, COLON admitted that she fraudulently inflated the expense and deduction information contained in her own tax returns and those of her clients. Specifically, COLON admitted that she assisted in the filing of the four false tax returns for tax years 1997 through 2000 which constitute Counts One through Four. COLON also admitted making false claims with respect to her tax returns for tax years 1997 and 1998, which constitute Counts Five and Six.

COLON, 43, resides in Stroudsburg, Pennsylvania.

COLON faces a maximum sentence of three years in prison on each of Counts One through Four, and a maximum of five years in prison on each of Counts Five and Six. Colon faces a maximum fine of \$250,000 on each count. Sentencing is scheduled for March 23, 2004, at 4:00 p.m. before Judge RAKOFF.

Mr. KELLEY praised the efforts of the IRS in the investigation of this case.

Assistant United States Attorney BRET R. WILLIAMS is in charge of the prosecution.

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